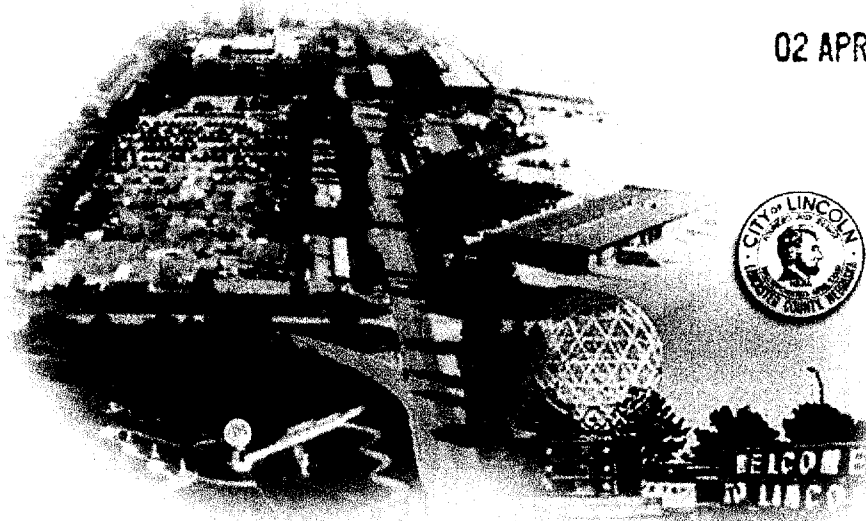


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DEPT. OF TRANSPORTATION  
DOCKETS

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# **Proposal Under the Small Community Air Service Development Pilot Program**

**Docket OST-2002-11590**

*Submitted to:*

**U.S. Department of Transportation  
*Docket Operations and Media Management Division***

*Submitted by:*

**Lincoln Airport Authority**

**April 22, 2002**



02 APR 19 AM 11:16

Department of Transportation  
Docket Operations & Media Management Division  
SVC-124, Room PL-401  
400 7<sup>th</sup> Street, SW  
Washington DC 20590

Dear Sirs:

Enclosed you will find the grant application proposal for Lincoln, Nebraska for funding under the "*Small Community Air Service Development Pilot Program*".

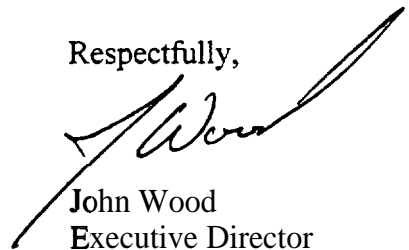
In Lincoln's efforts to maintain its economic viability, improved and competitive air service to the western and southern United States is critical. This type of competitive service to these key business regions is lacking and as a result, Lincoln finds itself in a distinct competitive and economic disadvantage.

In an effort to alleviate this competitive disadvantage, the Lincoln Airport Authority has maintained on going dialogues with airlines who could profitably serve Lincoln to the South and West regions of the United States. Through these ongoing discussions, the Authority and the airlines have identified three major cost factors that weigh heavy in their decision to initiate service to Lincoln. They are: station start up costs, first year airport operating costs and public awareness costs (advertising and marketing). These airlines believe that they can be profitable in Lincoln over time. However, the start up period comprising the first 24 months of service is critical to their long term success. The funds requested from the small community pilot program will allow us to help share in these initial start up risks in a manner that would not otherwise be possible.

Through this application, we are asking the Department to help us and our airline partners address these critical hurdles. The \$620,000 of requested federal money **is** being matched through a Public/Private contribution of \$220,000 or **35%** of the requested federal funds. This represents a significant leveraging of Federal funds and demonstrates Lincoln's commitment to helping itself **as** much as possible

We **are** excited about the opportunities which award of this grant will **bring** to Lincoln's air service picture. Should the Department have any further questions or need any clarifications regarding our proposal request, please contact me directly at 402-458-2400 or by email at [jwood@lincolnairport.com](mailto:jwood@lincolnairport.com).

Respectfully,



John Wood  
Executive Director  
Lincoln Airport Authority

# Delta Air Lines

Delta Air Lines, Inc.  
1275 K Street, N.W.  
Suite 1200  
Washington, D.C. 20005

April 17, 2002

The Honorable Norman Y. Mineta  
Secretary  
U.S. Department of Transportation  
400 Seventh Street SW Room 10200  
Washington, DC 20590

Re: Lincoln Airport, Lincoln, Nebraska

Dear Mr. Secretary:

As a leading provider of regional airline service to America's small and mid-sized communities, Delta Air Lines understands the challenges these communities face when attempting to attract new or improve existing service.

The Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century (Air 21) allows such communities the opportunity to pursue air service, generally a catalyst for local economic growth and development. Delta applauds the Department of Transportation's intent to assist these airports in developing their underserved markets.

In recent months, we have met and discussed service improvements with the Lincoln Airport and believe their case has merit based on the following:

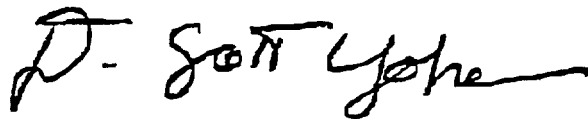
- The airport has a history of providing new service awareness marketing and advertising support
- Lincoln's O&D passenger traffic is geographically balanced, with the Pacific region (west of Salt Lake City) ranking as the largest market area
- High load factors on the Denver nonstop route indicate a shortage of available seats from Lincoln connecting to markets in the West

April 17, 2002

Page 2

We support the Lincoln Airport's Air 21 application and ask that you afford them every opportunity to gain funds through this new and unique federal program. The availability of partnership funding through the community and through the federal Air 21 program can certainly make a difference to attract air service.

Thank you,

A handwritten signature in black ink that reads "D. Scott Yohe". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

D. Scott Yohe  
Senior Vice President, Government Affairs  
Delta Air Lines, Inc.

cc: The Honorable Chuck Hagel, United States Senate  
The Honorable Ben Nelson, United States Senate  
The Honorable Doug Bereuter, U.S. House of Representatives  
John Wood, Executive Director, Lincoln Airport  
Bruce Tarletsky, Deputy Director Marketing & Development, Lincoln Airport

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Attachment A: Lincoln Airport Authority Operating Budget

Attachment B: Media Cost Comparison

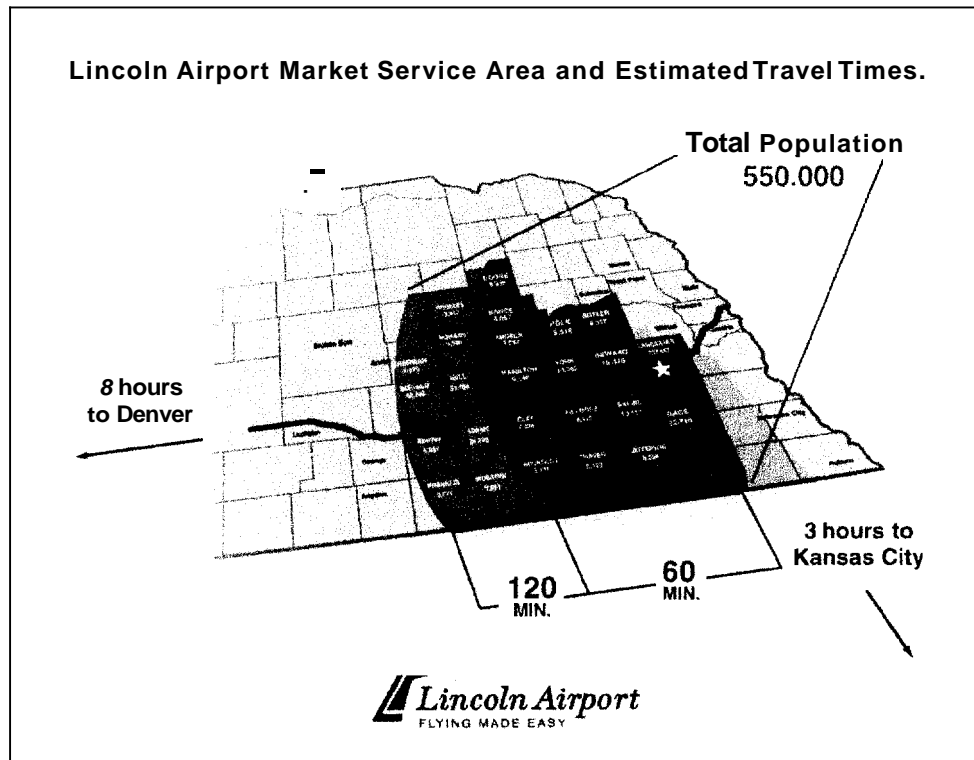
Attachment C: Top 75 Lincoln O&D Passenger Markets

Attachment D: Lincoln Airport May 2002 Airline Schedule

Attachment E: Monthly Airport Charges

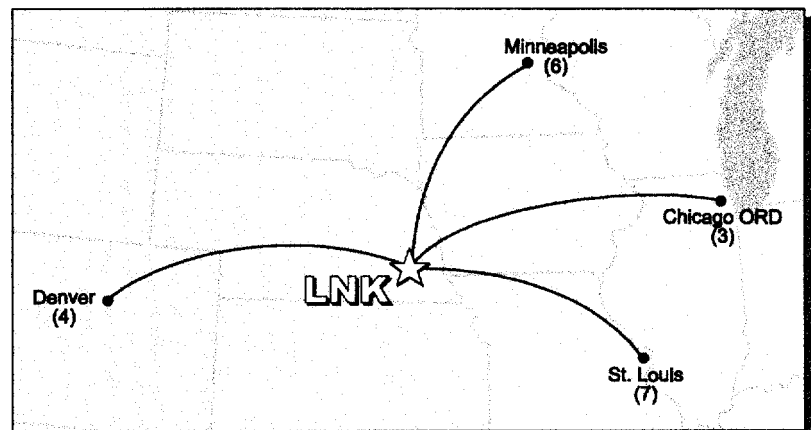
## I. LINCOLN AIRPORT BACKGROUND

The Lincoln Airport is a Non-Hub Airport, as designated by the FAA, that carried 470,719 passengers in 2001. Lincoln ranks 153 in the U.S. in terms of domestic O&D passengers. The Airport serves the Southeastern Nebraska region with a passenger catchment area of 550,000 residents.



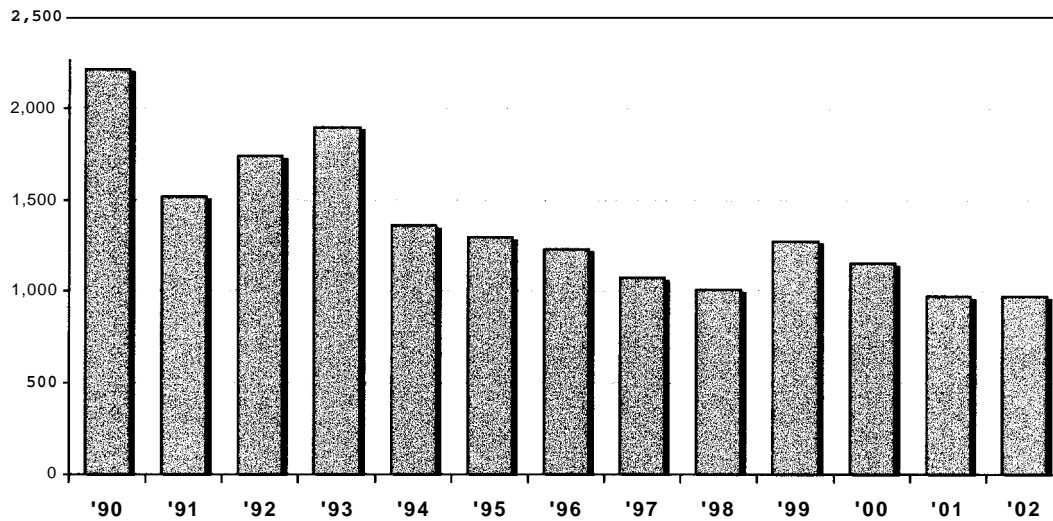
### Current Nonstop Service at Lincoln

Lincoln's current service pattern consists of a total of 20 nonstop flights to four major connecting hubs: Chicago O'Hare, Denver, Minneapolis, and St. Louis. US Airways Express, turboprop service to Kansas City was discontinued on February 15, 2002. American Connection has also announced that they will discontinue 2 of their 7 daily flights offered to St. Louis on June 15, 2002.



In the last ten years, Lincoln's nonstop service has undergone significant changes. Large jet nonstop service has been completely eliminated from Lincoln with service discontinued to Chicago, Denver, Phoenix, and St. Louis, and with the exception of Phoenix, replaced with a combination of regional jets and turboprops.

**Historic Seats at Lincoln**  
**1990 – 2002**



Following the trends in air service the past ten years, passenger traffic at Lincoln has also fluctuated. As a result of service cutbacks, and the decline in large jet flights, Lincoln has not been able to sustain a prolonged period of passenger growth.

**Historic Passenger Traffic at Lincoln**  
**1990–2001**



The tragic events of September 11<sup>th</sup> have obviously had an effect on passenger traffic at Lincoln. Year 2001 traffic declined **11.3%** from the prior year, the second largest annual decline in traffic in the past 20 years. Traffic in 2002 continues to lag the prior year. During the first three months of 2002, Lincoln's passenger traffic declined 4% in January, **3%** in February, and 4% in March.

Using the most recently available O&D data from the USDOT, the year ended 3<sup>rd</sup> qtr **2001**, Lincoln's O&D passenger traffic declined **9.3%** from the prior year. This lags behind the US average considerably, which only declined by a rate of **1.9%**. When compared to similar sized airports, Lincoln also compares unfavorably. In analyzing ten other airports similar in size, Lincoln had the second largest decline in passenger traffic.

#### Change in O&D Passenger Traffic at Lincoln and Similar Sized Airports

YE 3Q 2000 vs. YE 3Q 2001

Airport	Code	State	O&D Passengers		Percent
			YE 3Q '00	YE 3Q '01	Change
Missoula	MSO	MT	424,070	466,900	10.1%
Juneau	JNU	AK	462,870	476,710	3.0%
Bloomington-Normal	BMI	IL	442,660	444,180	0.3%
Medford	MFR	OR	447,660	444,420	-0.7%
Appleton	ATW	WI	474,600	464,970	-2.0%
Wiltrington	ILM	NC	480,370	463,360	-3.5%
New port News	PHF	VA	442,720	426,820	-3.6%
Charleston	CRW	WV	496,750	475,590	-4.3%
Kalamazoo	AZO	MI	477,140	440,910	-7.6%
<b>Lincoln</b>	<b>LNK</b>	<b>NE</b>	<b>498,570</b>	<b>452,130</b>	<b>-9.3%</b>
New burgh	SWF	NY	546,620	429,930	-21.3%
<b>Subtotal</b>			<b>5,194,030</b>	<b>4,985,920</b>	<b>-4.0%</b>

Lincoln's average one-way fare for the year ended 3<sup>rd</sup> qtr 2001 is **\$156**, which is line with the total US average one-way fare of \$152. The nearest alternative airport, Omaha, has an average one-way fare of \$141, a savings of \$15 or 9% lower than Lincoln. Even though Southwest Airlines provides 13 daily departures fi-om Omaha and accounts for 18% of the passenger traffic, the fare differential between Lincoln and Omaha is not overly high, suggesting a strong capture rate for the Lincoln Airport. Travel agency surveys have shown leakage to Omaha, but not to the extent that you would normally see when Southwest Airlines operates nearby. This is a positive factor for our proposal, since we are not relying on diverting passengers from a neighboring airport, but in fact are attempting to stimulate new demand.



## II. AIR SERVICE DEVELOPMENT STRATEGIC PLAN

The Lincoln Airport Authority has had an air service development plan in place for the past six years. The plan works to identify community air service deficiencies and needs and works to provide all airlines the support required to ensure short and long term success in Lincoln. Our current air service plan provides an effective amount of marketing support for the new service. Our strategic plan for meeting our community's needs through this pilot program involves a public private partnership between the Lincoln Airport Authority, the Lincoln business community, the Salt Lake City Airport Authority, and our potential airline partners, Delta Air Lines and Continental Airlines

The following section, entitled *Air Service Development Plan*, will define our mission, establish our points of differentiation, identify our objectives and timelines and will define our current air service marketing programs for this pilot program,

In developing this strategic plan, the Airport's management staff conducted a series of meetings with key shareholders in the Lincoln business community to solicit input and buy-in of the final document (strategic plan). The shareholders that participated in these meetings included key representatives from the local chamber, convention and visitors bureau, economic development entities, key players in the travel agent community and corporate users of the Airport. The plan encompasses and compliments each of the community's shareholder objectives as it relates to economic development and tourism growth for the Lincoln and Central Nebraska Region.

This strategic plan is designed to define and position the Lincoln Airport's air service development strategies in a more competitive and aggressive manner. This strategy is based upon the experiences and working knowledge of the air service arena of the Airport's Executive Director and Deputy Director for Marketing and Development, The Chamber of Commerce and the Airport's air service consulting firm, SH&E.

### SECTION ONE – MISSION

To provide the residents of Lincoln and central Nebraska with the most reliable, safe and convenient air service possible at a competitive fare.

### SECTION TWO – POINTS OF DIFFERENTIATION (DEVELOPING THE PRODUCT)

In order to be competitive with other cities vying for air service, we must position Lincoln as a product that the airlines want to buy over other options (cities).

#### ***This process includes the following:***

- Establishing a positioning statement for the airport (i.e. "Lincoln Airport, Flying Made Easy").
- Defining of our service and catchment areas (see enclosed map).

- Compare service area population to similar competing communities around the United States.
- Graphically illustrate highway access and drive times to and from the airport.
- Update and enhance service area demographics, economic data and business profiles.
- Illustrate passenger growth potential within central Nebraska.
- Continue to build partnerships with companies, chambers and cvb's in the service area.
- Graphically show where passengers are currently coming from to use the Airport.
- Define operational advantages of serving Lincoln.
- Provide the most competitive new air service marketing incentive programs (marketing dollars, sales support, etc.)
- Establish an ongoing communication strategy with the airlines.

***Available Resources:***

- The experiences, knowledge and airline network of the Deputy Director of Marketing and Development.
- The resources of the local area governments, chambers and businesses.
- 3 The support and commitment of Airport Authority Board members.
- Resources of the Federal Government (i.e. Pilot program designed to help smaller communities to enhance their air service).
- Resources of local travel agents.
- 3 Resource and expertise of the International Air Service Consultancy Firm of SH&E.

**SECTION THREE – IMMEDIATE AIR SERVICE ISSUES FOR SMALL COMMUNITY AIR SERVICE PILOT PROGRAM**

Based on our current understanding of our community's air service needs and the current competitive state of airlines and their air service priorities, the following destinations have been targeted for increased service.

***Objective One: Secure New Westbound Service With Regional Jets From Delta Air Lines To Its Salt Lake City Hub***

Lincoln's current service pattern is heavily weighted to the East. Only 16% of the total daily seats offered from Lincoln are headed westbound. Lincoln's single route to the West, is operated by United Express, with four daily flights to its Denver hub with 2 Canadair regional jets and 2 Dornier 328 turboprops. The current service pattern represents a 25% decline in capacity from the prior year as United mainline

operated the service last year with large jet aircraft. Currently, many Lincoln passengers are back-hauling through St. Louis and Minneapolis to reach western destinations. This translates to a significant time hassle and undo constraints on the local business and leisure traveler.

Nonstop service from Lincoln to Salt Lake City, operated with regional jets by Delta Connection, represents a viable and competitive alternative to the existing limited services to the West. Delta's Salt Lake City hub will provide convenient connections to many of Lincoln's top O&D passenger markets in the Western region, and will provide the first single connecting service to a few Mountain region markets.

***Objective Two: To Secure New Regional Jet Service From Continental Airlines To Its Houston Hub***

Continuing the directional service diversification strategy, the Lincoln Airport is targeting Continental Express for regional jet service to the Houston Intercontinental hub. As Continental's largest connecting hub, Houston would provide Lincoln passengers convenient access to the growing Florida and Southeastern regions, as well as providing the first single connecting services to Continental's expanding Latin American network.

Currently, American Connection captures significant traffic share in the Lincoln market to the Southeast and Florida regions. As American Connection continues to scale back on its Lincoln – St. Louis service, new capacity will be needed to fill the gap.

**SECTION FOUR – AIR SERVICE ACTION PLAN**

To effectively navigate the competitive waters of air service development with the airlines, the Lincoln Airport Authority relies on the experience of its Deputy Director for Marketing and Development who has identified and understands the “terms of engagement” commonly set forth and accepted by the airlines when successful communities call on them for service. With this in mind, The Lincoln Airport Authority's overall air service development strategy includes the following three-pronged approach to meeting with the airlines.

- Under the guidance of the Authority's Executive Director, the Deputy Director of Marketing and Development will utilize his expertise and relationships with airline route planners to lay the foundation (economic and marketing models that the airlines use to make decisions) about Lincoln with the prospective carriers and continue to nurture these sensitive relationships.
- At the appropriate time, incorporate the resources of local area governments, chambers and businesses into the marketing process to show support of the local community for any potential new service.
- Partner with the airline, local governments, chambers, cvb's to effectively market any new service.

## **SECTION FIVE – PROPOSED NEW SERVICE MARKETING SUPPORT & IMPLEMENTATION PLANS FOR DELTA AIR LINES & CONTINENTAL AIRLINES UNDER THIS PILOT PROGRAM**

The following Documents entitled, *Proposed New Service Marketing Support & Implementation Plan for Delta Air Lines* and *Proposed New Service Marketing Support & Implementation Plan for Continental Airlines*, outlines the public – private partnership package that we will be presenting to Delta Air Lines and Continental Airlines as a part of this pilot program.

#### **IV. DELTA AIRLINES MARKETING PLAN**



### **Proposed New Service Marketing Support & Implementation Plan**

*For*  
**Delta Air Lines**

***Lincoln to Salt Lake City  
3 Daily Departures with 50 Seat  
Canadair Regional Jets***

#### **Marketing Partners:**

**Delta Air Lines, Lincoln Airport Authority, Lincoln Partnership for  
Economic Development  
&  
Salt Lake City Department of Airports**

## **INTRODUCTION**

The potential introduction of Delta Air Lines service in Lincoln to Salt Lake City would be one of the most significant air service / economic development events for Lincoln and central Nebraska over the last ten years. Realizing the significance of the Delta decision to invest its limited resources in Lincoln, the Lincoln Airport Authority is prepared to partner with Delta Air Lines to ensure the immediate and long term success and growth of Delta Air Lines in Lincoln by providing as much support that is economically and operationally feasible.

Through the direction of the Airport Authority's Deputy Director of Marketing and Development, Bruce Tarletsky, this plan outlines our marketing commitment to Delta Air Lines. Mr. Tarletsky has several years of experience in working with Delta in promoting new service and growing Delta's presence in a market while he was the Director of Marketing in Allentown, Pennsylvania. In particular, supporting Delta (Comair) service to Cincinnati and Delta Express service to Orlando along with bringing sales missions to Atlanta to promote the Delta service to Allentown.

The key to increasing the chances for success of a new route is marketing and increased awareness within the service area. It requires an on going commitment to the partnership by your airport partner, something more than just providing a one time advertising incentive and a "sit back and see" attitude. It requires an Airport partner who is willing to share in the risk and owning the challenge themselves. Constantly searching for new opportunities and alerting you to potential service and competitive issues are just one example of owning the challenge. The Lincoln Airport Authority is prepared to bring added value to this partnership.

## **FINANCIAL MARKETING SUPPORT**

The Lincoln Airport Authority has an existing policy of offering financial marketing assistance to any airline that provides new nonstop service to any destination out of Lincoln or increases current service. This marketing assistance is available to all airlines, those currently serving Lincoln and new entrants during the first 12 months of the service.

The Lincoln Airport Authority will provide \$ 20,000 for each new flight that an airline adds. In the case of Delta Air Lines, with a proposed schedule of three daily departures, the total would be \$ 60,000.00. The funds will be spent on behalf of Delta and the Lincoln Airport Authority to promote the Lincoln Airport, Delta Air Lines and the new route. The funds do not require matching Delta funds and will be used in the Lincoln service area. The only stipulation is that the Lincoln Airport logo must have a predominate appearance on all ads. As Delta grows its presence in Lincoln, by either adding more flights to SLC or serving an additional Delta Hub, the \$20,000 per flight will apply.

The funds can be dispersed in different ways. Ideally, the Airport Authority would like to receive the advertising copy from the airline and place the media directly. We understand that in some cases this is not always possible and the Authority will work with the airline to determine the best means that works for both parties. Delta will also have access to the local marketplace expertise of the Airport Authority's Lincoln based advertising agency in determining optimal local media placement.

In addition, the Lincoln Airport Authority will be partnering with the Lincoln Partnership for Economic Development (LPED) (a partnership of the Lincoln Chamber, the City of Lincoln and Lancaster County) and the Salt Lake City Department of Airports in working to insure this service is successful. The Lincoln Partnership for Economic Development will provide an additional \$20,000 to this program. As our private sector partner, LPED will target their financial investment to research (identify) and target market to those companies in Lincoln who do business in the Salt Lake City region or client companies and customers in Salt Lake and the beyond markets who do business in Lincoln and encourage those companies to utilize the new Delta service to fly between Salt Lake City and Lincoln. In the past, these companies most likely have been using alternate airports and/or alternate airlines to do business between Lincoln and Salt Lake City.

Our Salt Lake City partners will be providing an additional \$60,000 in advertising support to be utilized in growing the awareness of the service in the Salt Lake City region and it's beyond markets, bringing the total marketing support for the Delta service to **\$140,000**. Through the Small Community's Pilot Program, we are asking the federal Government to match this \$140,000 to be applied in the second year of service, for a total marketing support to **\$280,000** over two years.

The combination of the marketing /advertising support, from a tactical perspective, will effectively reach all sections of our target market. The Airport Authority's contribution will be targeted towards all travelers in the Lincoln service area. The Lincoln Partnership for Economic Development's investment will target businesses in the Lincoln service area who do business in the Salt Lake City region or client companies and customers in Salt Lake and the beyond markets who do business in Lincoln. The Salt City advertising dollars will work to increase the overall awareness of the new service in the Salt Lake City area.

Section three of this plan highlights the market penetration value of these **funds** in comparison to similar levels of market penetration in other cities. As an example, the amount of market penetration which an \$18,607 media buy in Lincoln, Nebraska will provide would cost over \$208,000 for the same level media buy in Chicago, Illinois (see attachment B).

### **SOFT DOLLAR SUPPORT – NORTHWEST / LINCOLN AIRPORT AUTHORITY CASE STUDY**

With the support of Delta Air Lines, the Lincoln Airport Authority can expand the impact and reach of the marketing dollars proposed.

The following example illustrates how the Airport Authority was able to add an additional \$30,000 to its marketing effectiveness of our recent \$40,000 marketing campaign to promote Northwest Airlines upgrade of two departures to regional jets. The soft dollar support requires the airline to provide a predetermined amount of tickets that will be utilized in various on- air promotions that generate a required rate of return by the airline.

In this particular case, Northwest Airlines provided the Lincoln Airport Authority with 10 domestic airline tickets for travel anywhere in the United States. The Airport Authority then issued a request for proposals to local radio and TV stations asking for promotional ideas for the tickets with a media buy. From this initial RFP, 18 media outlets submitted proposals from which three were selected.

By utilizing the tickets and issuing an RFP, the Airport Authority was able to turn a \$6,900 schedule into over \$30,000 worth of advertising based upon promotional spots run by the radio stations. The promotions included a variety of activities and raised awareness in the community. One example in addition to the promotional spots was KTGL allowing the Lincoln Airport to place information and banners promoting the new service at the City of Lincoln's Fourth of July Celebration attend by over 100,000 people.

### **NEW SERVICE AWARENESS SUPPORT – ACTION PLAN**

In addition to financial support, the Lincoln Airport Authority will take an active role in doing what ever it takes to ensure the success of the Delta service. In conjunction with our partners, the Airport Authority will implement the following action items (not limited to the following):

- Press Conference at the Airport to announce new service
- Utilize the PRNEWswire for press releases related to the new service and Delta's on-going presence in Lincoln.
- Hang banners in the Airport announcing the service.
- Perform sales blitzes in the Lincoln service area to promote the new service.
- Perform a sales blitz in Salt Lake City to promote the new service to companies and travel agents in the Salt Lake area.
- Perform a sales blitz (at least one per year) of a Delta Airlines reservation center to promote the service to Delta reservation agents and to establish a working relationship with those reservation centers. .
- Perform one sales blitz per year in one beyond Salt Lake market that has been identified by LPED as having companies that are doing business in Lincoln and central Nebraska.
- Bring a contingent of our Salt Lake City partners to Lincoln to perform a sales blitz in the Lincoln area promoting Salt Lake and the Delta hub to Lincoln and central Nebraska companies and travel agents.
- Co-ordinate any required meetings between Delta and local CEO's and corporate travel managers.
- Promote the new service at local and regional (Salt Lake City) trade shows.
- Explore opportunities to grow the Delta Sky Miles base in the Lincoln service area.
- Provide Delta Air Lines with all necessary data related to companies in Lincoln and central Nebraska.



**V. CONTINENTAL AIRLINES MARKETING PLAN**



**Proposed New Service Marketing Support  
& Implementation Plan**

*For*  
**Continental Airlines**

**Lincoln to Houston Intercontinental Airport  
3 Daily Departures with  
50 Seat Canadair Regional Jets**

**Marketing Partners:**

**Continental Airlines, Lincoln Airport Authority, and the  
Lincoln Partnership for Economic Development**

**INTRODUCTION**

The potential introduction of Continental Airlines service in Lincoln to Houston would be one of the most significant air service / economic development events for Lincoln and central Nebraska over the last ten years. Realizing the significance of the Continental decision to invest its limited resources in Lincoln, the Lincoln Airport Authority is prepared to partner with Continental to ensure the immediate and long term success and growth of Continental Airlines in Lincoln by providing as much support that is economically and operationally feasible.

Through the direction of the Airport Authority's Deputy Director of Marketing and Development, Bruce Tarletsky, this plan outlines our marketing commitment to Continental Airlines. Mr. Tarletsky has several years of experience in working with Continental in promoting new service and growing Continental's presence in a market while he was the Director of Marketing in Allentown, Pennsylvania. In particular, supporting Continental's new service to Cleveland.

The key to increasing the chances for success of a new route is marketing and increased awareness within the service area. It requires an on going commitment to the partnership by your airport partner, something more than just providing a one time advertising incentive and a "sit back and see" attitude. It requires an Airport partner who is willing to share in the risk and owning the challenge themselves. Constantly searching for new opportunities and alerting you to potential service and competitive issues are just one example of owning the challenge, The Lincoln Airport Authority is prepared to bring added value to this partnership.

**FINANCIAL MARKETING SUPPORT**

The Lincoln Airport Authority has an existing policy of offering financial marketing assistance to any airline that provides new nonstop service to any destination out of Lincoln or increases current service. This marketing assistance is available to all airlines, those currently serving Lincoln and new entrants during the first 12 months of the service.

The Lincoln Airport Authority will provide \$20,000 for each new flight that an airline adds. In the case of Continental Airlines, with a proposed schedule of three daily departures, the total would be \$60,000. The funds will be spent on behalf of Continental and the Lincoln Airport Authority to promote the Lincoln Airport, Continental Airlines and the new route. The funds do not require matching Continental funds will be used in the Lincoln service area. The only stipulation is that the Lincoln Airport logo must have a predominate appearance on all ads. As Continental grows it's presence in Lincoln, by either adding more flights to Houston or serving an additional Continental Hub, the \$20,000 per flight will apply.

The funds can be dispersed in different ways. Ideally, the Airport Authority would like to receive the advertising copy from the airline and place the media directly. We understand that in some cases this is not always possible and the Authority will work with the airline to determine the best means that works for both parties. Continental will also have access to the local marketplace expertise of the Airport Authority's Lincoln based advertising agency in determining optimal local media placement.

In addition, the Lincoln Airport Authority will be partnering with the Lincoln Partnership for Economic Development (LPED) (a partnership of the Chamber, the City of Lincoln and Lancaster County) in working to insure this service is successful. The Lincoln Partnership for Economic Development will provide an additional \$20,000 to this program. As our private sector partner, LPED will target their financial investment to research (identify) and target market to those companies in Lincoln who do business in the Houston region or client companies and customers in Houston and the beyond markets who do business in Lincoln and encourage those companies to utilize the new Continental service to fly between Houston and Lincoln. In the past, these companies most likely have been using alternate airports and/or alternate airlines to do business between Lincoln and Houston.

Through the Small Community's Pilot Program, we are asking the Federal Government to provide **\$140,000** to be applied in the second year of service, bring the total marketing support to **\$220,000** over two years.

The combination of the marketing /advertising support, from a tactical perspective, will effectively reach all sections of our target market. The Airport Authority's contribution will be targeted towards all travelers in the Lincoln service area. The Lincoln Partnership for Economic Development's investment will target businesses in the Lincoln service area who do business in the Houston region or client companies and customers in Houston and the beyond markets who do business in Lincoln.

Section three of this plan highlights the market penetration value of these funds in comparison to similar levels of market penetration in other cities. As an example, the amount of market penetration which an **\$18,607** media buy in Lincoln, Nebraska will provide would cost over \$208,000 for the same level media buy in Chicago, Illinois (see attachment B).

### **SOFT DOLLAR SUPPORT – NORTHWEST / LINCOLN AIRPORT AUTHORITY CASE STUDY**

With the support of Continental Airlines, the Lincoln Airport Authority can expand the impact and reach of the marketing dollars proposed.

The following example illustrates how the Airport Authority was able to add an additional \$30,000 to its marketing effectiveness of our recent \$40,000 marketing campaign to promote Northwest Airlines upgrade of two departures to regional jets. The soft dollar support requires the airline to provide a predetermined amount of tickets that will be utilized in various on- air promotions that generate a required rate of return by the airline.

In this particular case, Northwest Airlines provided the Lincoln Airport Authority with 10 domestic airline tickets for travel anywhere in the United States. The Airport Authority then issued a request for proposals to local radio and TV stations asking for promotional ideas for the tickets with a media buy. From this initial RFP, 18 media outlets submitted proposals from which three were selected.

By utilizing the tickets and issuing an RFP, the Airport Authority was able to turn a \$6,900 schedule into over \$30,000 worth of advertising based upon promotional spots run by the radio stations. The promotions included a variety of activities and raised awareness in the community. One example in

addition to the promotional spots was KTGL allowing the Lincoln Airport to place information and banners promoting the new service at the City of Lincoln's Fourth of July Celebration attend by over 100,000 people.

### **NEW SERVICE AWARENESS SUPPORT – ACTION PLAN**

In addition to financial support, the Lincoln Airport Authority will take an active role in doing what ever it takes to ensure the success of the Continental service. In conjunction with our partners, the Airport Authority will implement the following action items (not limited to the following):

- Press Conference at the Airport to announce new service
- Utilize the PRNEWswire for press releases related to the new service and Continental's on-going presence in Lincoln.
- Hang banners in the Airport announcing the service.
- Perform sales blitzes in the Lincoln service area to promote the new service.
- Perform a sales blitz in Houston to promote the new service to companies and travel agents in the Houston area.
- Perform a sales blitz (at least one per year) of a Continental Airlines reservation center to promote the service to Continental reservation agents and to establish a working relationship with those reservation centers.
- Perform one sales blitz per year in one beyond Houston market that identified by LPED as having companies that are doing business in Lincoln and central Nebraska.
- Bring a contingent of our Houston partners to Lincoln to perform a sales blitz in the Lincoln area promoting Houston and the Continental hub to Lincoln and central Nebraska companies and travel agents.
- Co-ordinate any required meetings between Continental and local CEO's and corporate travel managers.
- Promote the new service at local and regional (Houston) trade shows.
- Explore opportunities to grow the Continental One Pass base in the Lincoln service area.
- Provide Continental Airlines with all necessary ~~data~~ related to companies in Lincoln and central Nebraska.

## VI. PROPOSED FUNDING REQUEST

The Lincoln Airport Authority's Marketing and Development Department, under the direction of the Airport Authority's Executive Director will have responsibility for development and management of this program on the local level and be the lead agency. The Lincoln Airport Authority will be designated as the community sponsor that will accept program reimbursements.

Through numerous discussions that the Lincoln Airport Authority has had with the targeted airlines for this pilot program, the Authority and the airlines have identified three major cost factors that weigh heavy in their decision to serve Lincoln. They are: station start up costs, first year airport operating costs and public awareness costs (advertising and marketing). These airlines believe that they can be profitable in Lincoln over time. However, the start up period of the first 24 months is critical to their long term success. This small community pilot program will allow us to help share in these initial start up risks in a manner that would not be possible if not for this pilot program.

We are asking the Department to help us and our airline partners to get over some of these critical hurdles. Mainly by using these federal funds in three areas. First we are asking the Department to pay a portion of the airlines start up costs. These funds would pay for "hard" costs of computer equipment, office equipment and furnishings, and ground support equipment that are associated with establishing an airline station in Lincoln. Start up costs would not cover "soft" costs such as salaries of airline employees. The Airport Authority would request an invoice from the airline, pay it on the airlines behalf and submitted documentation to the Department for reimbursement by the Department directly to the Airport Authority, not to exceed \$50,000 per airline or \$100,000 if both objectives are funded. Second, we request the Department to pay the airlines airport operating costs (landing fees and terminal building space rental) for the first year, for up to three 50 seat regional jet departures per day, not to exceed \$120,000 per year per airline. Cost breakdowns of these airport operating expense are listed in attachment E. These funds would be paid on behalf of the airline directly to the Airport Authority by the Department (The Airport Authority would request monthly draws to cover these costs as they occur). Lastly, the second year of building and maintaining public awareness is critical in securing and maintaining the carrier's presence in a marketplace. We are asking the Department to provide \$140,000 per airline, to be utilized in the second year of service. These funds would be requested by the Airport Authority on a quarterly basis.

As previously stated in our *New Service Marketing Support and Implementation Plan*, the combination of the marketing /advertising support, from a tactical perspective, will effectively reach all sections of our target market. The Airport Authority's contribution will be targeted towards all travelers in the Lincoln service area. The Lincoln Partnership for Economic Development's investment will target businesses in the Lincoln service area who do business in the Houston and Salt Lake regions or client companies and customers in Houston and Salt Lake and the beyond markets who do business in Lincoln. The Salt Lake City advertising dollars will work to increase the overall awareness of the new service in the Salt Lake City area.

The market penetration value of these funds in comparison to similar levels of market penetration in other cities is critical in evaluating the total effectiveness of the Federal funds that would be allocated to Lincoln and utilized to promote the new service in the second year of service. As an example, an \$18,607

media buy in Lincoln, Nebraska would cost over \$208,000 for the same level media buy in Chicago, Illinois (see attachment B).

The \$ 620,000 of requested federal money by Lincoln is being matched by a Public/Private contribution of \$220,000 or 35% of the federal funds requested. The Lincoln Airport Authority is requesting the Department to obligate the \$620,000 for the Lincoln Community pilot program. If the service is not secured, the airport Authority may request the option to target another airline.

#### Total Pilot Program Funding Request Breakdown

	<u>Public Dollars Contributed</u>	<u>Private Dollars Contributed</u>	<u>Federal Funds Reauested</u>
Airline Station Start Up Costs	\$0.00	\$0.00	\$100,000
Airline's Airport Operating Costs	\$0.00	\$0.00	\$240,000
First Year Marketing Support	\$180,000	\$40,000	\$0.00
Second Year Marketing Support	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$280,000</u>
Total Pilot Program Funding	<u>\$ 180,000</u>	<u>\$40,000</u>	<u>\$620.000</u>

Total Federal Funds Requested by Lincoln - \$620,000

**Total Matching Public and Private Funds - \$220,000**

In addition to the matching public and private funds, the Airport Authority has a general Airport Advertising budget of \$120,000 per year that is used to market the Airport and all its airlines in our general Airport advertising efforts. These funds will also support the promoting of this new service.

If funding sources are limited, the Lincoln Airport Authority wants to be very clear on which objective it would like met as its first priority. The first priority we would like to see funded is our objective of securing air service from Delta Air Lines. Below is how that funding will break out.

**Objective One Delta Airlines Service to Lincoln Funding Request Breakdown**

	<u>Public Dollars Contributed</u>	<u>Private Dollars Contributed</u>	<u>Federal Funds Reauested</u>
Airline Station Start Up Costs	\$0.00	\$0.00	\$50,000
Airline's Airport Operating Costs	\$0.00	\$0.00	\$120,000
First Year Marketing Support	\$120,000	\$20,000	\$0.00
Second Year Marketing Support	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$ 140,000</u>
Total Pilot Program Funding	<u>\$ 120,000</u>	<u>\$20,000</u>	<u>\$310,000</u>

Total Federal Funds Requested by Lincoln- \$310,000

**Total Matching Public and Private Funds- \$140,000**

In addition to the matching public and private funds, the Airport Authority has a general Airport Advertising budget of \$120,000 per year that is used to market the Airport and all its airlines in our general Airport advertising efforts. These funds will also support the promoting of this new service.

As the designated community sponsor, the Lincoln Airport Authority will require its private partners to submit their allocation plans in advance to the Authority for approval prior to utilizing the funds. The Authority will also require its partners and itself to provide a paper trail of invoices and advertising tear sheets as proof of placement of the advertising and marketing funds. As the community sponsor, the Authority will conduct monthly briefing sessions with its community partners to keep all shareholders apprised of the program's progress.

As the designated community sponsor, the Lincoln Airport Authority will set a project goal of securing the targeted new service within **24** months from the date of securing a commitment of funds from the Department. On an as needed basis, the Airport Authority will provide status reports on how the negotiations are progressing, if it looks as if our objectives of securing service within **24** months will not be reached, the Authority would like the option of requesting of the Department its desire to target another airline with the same program. If this becomes necessary, then the Airport Authority will provide a detailed explanation similar to this application of the new target airline and the details of the proposed service request.

Once the new service is secured and the funds have been authorized by the Department, the Airport Authority will keep the Department advised on the success of the new service via monthly passenger and load factor reports. In addition, the Airport Authority will ask for an evaluation report of the effectiveness

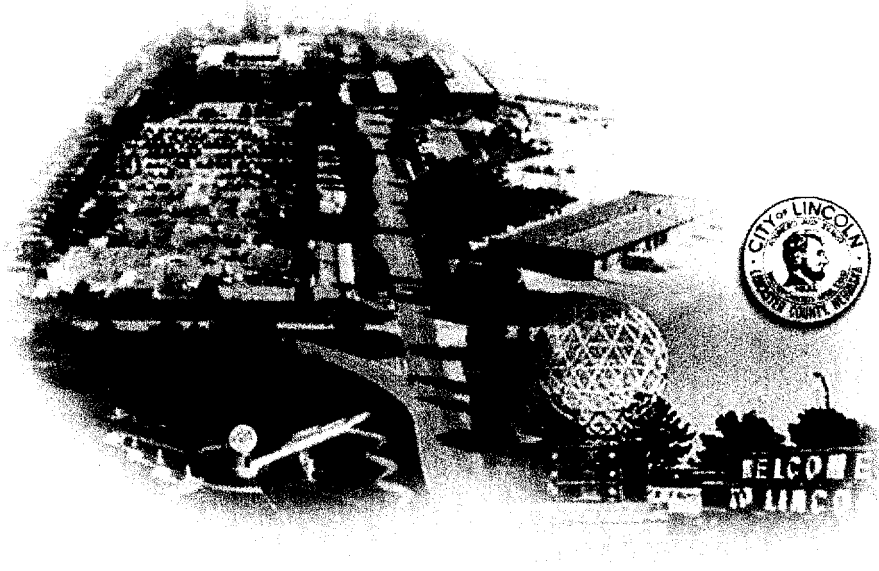
of the program from the Airlines serving the program and from the Airport Authority's advertising agency responsible for placing the advertising dollars.

## **PUBLIC – PRIVATE PARTNERSHIP: LINCOLN AIRPORT AUTHORITY/ LINCOLN PARTNERSHIP FOR ECONOMIC DEVELOPMENT**

As the designated community sponsor of this public-private partnership, the Lincoln Airport Authority will serve as a clearinghouse to submit and receive program funding from the department. For Federal funds allocated to this grant application, The Airport Authority of the City of Lincoln, Nebraska will adhere to the types of compliance requirements described in *the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* as it relates to Requirements Applicable to Major Federal Awards Programs.

The Airport Authority's auditing firm will conduct audits on this grant program in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require the Authority's auditing firm to perform an audit to obtain reasonable assurance about compliance requirements that could have a direct and material effect on the federal program(s).





## **Attachment A**

# **Lincoln Airport Authority Operating Budget**

AIRPORT AUTHORITY ~~OF~~ THE CITY ~~OF~~ LINCOLN  
LINCOLN, NEBRASKA  
BUDGETED REVENUES, EXPENDITURES & FUND BALANCE  
FOR YEAR ENDED JUNE **30,2002**

REVENUE FUND

FUND BALANCE BEGINNING ~~OF~~ YEAR **3,765,256**

REVENUES:

LANDING FIELD AREA	353,400
TERMINAL AREA	2,711,960
FIXED BASE AREA	1,235,280
LINCOLN AIR PARK WEST	4,448,000
LINCOLN AIR PARK SOUTH	130,000
INVESTMENT EARNINGS	350,000

TOTAL REVENUES **9,228,640**

EXPENDITURES (OPERATING):

LANDING FIELD AREA	646,890
TERMINAL AREA	1,404,070
FIXED BASE AREA	215,710
LINCOLN AIR PARK WEST	378,580
LINCOLN AIR PARK SOUTH	14,370
PUBLIC SAFETY	823,150
SERVICE EQUIPMENT	354,850
GENERAL & ADMINISTRATIVE	1,761,520

TOTAL OPERATING EXPENDITURES **5,599,140**

TRANSFERS:

RENEWAL & REPLACEMENT FUND	120,000
CAPITAL IMPROVEMENT FUND	3,765,256
AIRPORT BOND FUND (SERIES 99)	250,451

TOTAL TRANSFERS **4,135,707**

TOTAL EXPENDITURES **9,734,847**

EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES (506,207)

• FUND BALANCE END ~~OF~~ YEAR **3,259,049**

• BALANCE WILL BE TRANSFERRED TO THE CAPITAL IMPROVEMENT FUND  
IN FISCAL YEAR 2003

**AIRPORT AUTHORITY OF THE CITY OF LINCOLN, NEBRASKA  
CONSOLIDATED BUDGET FOR FISCAL YEARS 2001 AND 2002**

	<b>BUDGET FISCAL YEAR 2001</b>	<b>BUDGET FISCAL YEAR 2002</b>
<b>REVENUES:</b>		
OPERATING REVENUES:		
LANDING FIELD AREA	355,300	353,400
TERMINAL AREA	2,643,060	2,711,960
FIXED BASE AREA	1,218,600	1,235,280
LINCOLNAIR PARK WEST	4,510,200	4,448,000
LINCOLNAIR PARK SOUTH	0	130,000
INTEREST EARNED	850,000	500,000
<b>TOTAL OPERATING REVENUES</b>	<b>9,577,160</b>	<b>9,378,640</b>
STATE & FEDERAL GRANTS	5,932,563	5,434,381
REAPPROPRIATION OF FUNDS	9,133,718	10,555,451
<b>TOTAL REVENUES</b>	<b>24,643,441</b>	<b>25,368,472</b>
<b>EXPENDITURES:</b>		
OPERATING EXPENDITURES:		
LANDING FIELD AREA	615,000	666,200
TERMINAL AREA	1,286,980	1,438,980
FIXED BASE AREA	210,600	222,170
LINCOLNAIR PARK WEST	369,600	389,920
LINCOLNAIR PARK SOUTH	0	14,800
PUBLIC SAFETY	748,600	845,600
SERVICE EQUIPMENT	342,700	365,460
GENERAL & ADMINISTRATIVE	1,657,600	1,823,400
<b>TOTAL OPERATING EXPENDITURES</b>	<b>5,231,080</b>	<b>5,766,530</b>
DEBT RETIREMENT	342,577	347,143
CAPITAL IMPROVEMENTS	12,977,539	12,667,800
FACILITY RENOVATIONS	819,709	1,435,500
EQUIPMENT PURCHASES	630,612	366,500
ENVIRONMENTAL/ INSURANCE	4,641,924	4,784,999
<b>TOTAL EXPENDITURES</b>	<b>24,643,441</b>	<b>25,368,472</b>

**AIRPORT AUTHORITY OF THE CITY OF LINCOLN  
LINCOLN, NEBRASKA  
BUDGETED REVENUES, EXPENDITURES & FUND BALANCE  
FOR YEAR ENDED JUNE 30, 2001**

**REVENUE FUND**

<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>3,795,164</b>
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**REVENUES:**

LANDING FIELD AREA	355,300
TERMINAL AREA	2,643,060
FIXED BASE AREA	1,218,600
LINCOLN AIR PARK WEST	4,510,200
INVESTMENT EARNINGS	600,000

<b>TOTAL REVENUES</b>	<b>9,327,160</b>
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**EXPENDITURES (OPERATING):**

LANDING FIELD AREA	615,000
TERMINAL AREA	1,286,980
FIXED BASE AREA	210,600
LINCOLN AIR PARK WEST	369,600
PUBLIC SAFETY	748,600
SERVICE EQUIPMENT	342,700
GENERAL & ADMINISTRATIVE	1,657,600

<b>TOTAL OPERATING EXPENDITURES</b>	<b>5,231,080</b>
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**TRANSFERS:**

RENEWAL & REPLACEMENT FUND	120,000
CAPITAL IMPROVEMENT FUND	3,795,164
AIRPORT BOND FUND (SERIES 99)	344,935

<b>TOTAL TRANSFERS</b>	<b>4,260,099</b>
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<b>TOTAL EXPENDITURES</b>	<b>9,491,179</b>
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EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(164,019)
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<b>* FUND BALANCE END OF YEAR</b>	<b>3,631,145</b>
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\* BALANCE WILL BE TRANSFERRED TO THE CAPITAL IMPROVEMENT FUND  
IN FISCAL YEAR 2002

AIRPORT AUTHORITY ~~OF~~ THE CITY OF LINCOLN, NEBRASKA  
CONSOLIDATED BUDGET FOR FISCAL YEARS **2000** AND **2001**

	BUDGET FISCAL YEAR <b>2000</b>	BUDGET FISCAL YEAR <b>2001</b>
REVENUES:		
OPERATING REVENUES:		
LANDING FIELD AREA	327,000	355,300
TERMINAL AREA	2,128,760	2,643,060
FIXED BASE AREA	1,155,700	1,218,600
LINCOLN AIR PARK WEST	3,531,000	4,510,200
INTEREST EARNED	660,000	850,000
<b>TOTAL OPERATING REVENUES</b>	<b>7,802,460</b>	<b>9,577,160</b>
STATE & FEDERAL GRANTS	2,210,916	5,932,563
REAPPROPRIATION OF FUNDS	11,762,456	9,133,718
<b>TOTAL REVENUES</b>	<b>21,775,832</b>	<b>24,643,441</b>
EXPENDITURES:		
OPERATING EXPENDITURES:		
LANDING FIELD AREA	548,400	615,000
TERMINAL AREA	952,400	1,286,980
FIXED BASE AREA	209,900	210,600
LINCOLN AIR PARK WEST	300,500	369,600
PUBLIC SAFETY	657,700	748,600
SERVICE EQUIPMENT	336,500	342,700
GENERAL & ADMINISTRATIVE	1,464,000	1,657,600
<b>TOTAL OPERATING EXPENDITURES</b>	<b>4,469,400</b>	<b>5,231,080</b>
DEBT RETIREMENT	171,755	342,577
CAPITAL IMPROVEMENTS	9,948,686	12,977,539
FACILITY RENOVATIONS	1,769,126	819,709
EQUIPMENT PURCHASES	1,056,865	630,612
ENVIRONMENTAL/ INSURANCE	4,360,000	4,641,924
<b>TOTAL EXPENDITURES</b>	<b>21,775,832</b>	<b>24,643,441</b>

**AIRPORT AUTHORITY OF THE CITY OF LINCOLN  
LINCOLN, NEBRASKA  
BUDGETED REVENUES, EXPENDITURES & FUND BALANCE  
FOR YEAR ENDED JUNE 30, 2000**

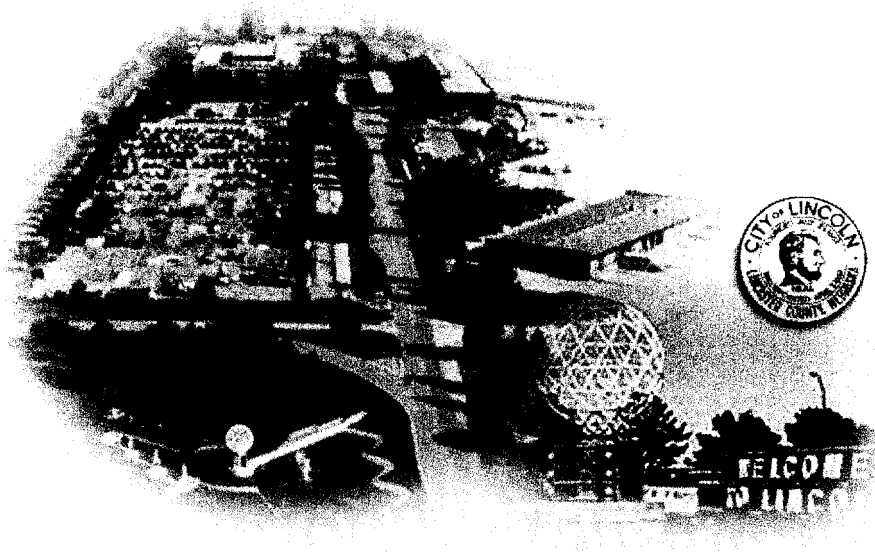
**REVENUE FUND**

<b>FUND BALANCE BEGINNING OF YEAR</b>		<b>3,390,200</b>
REVENUES:		
LANDING FIELD AREA	327,000	
TERMINAL AREA	2,128,760	
FIXED BASE AREA	1,155,700	
LINCOLN AIR PARK WEST	3,531,000	
INVESTMENT EARNINGS	500,000	
<b>TOTAL REVENUES</b>		<b>7,642,460</b>
EXPENDITURES (OPERATING):		
LANDING FIELD AREA	548,400	
TERMINAL AREA	952,400	
FIXED BASE AREA	209,900	
LINCOLN AIR PARK WEST	300,500	
PUBLIC SAFETY	657,700	
SERVICE EQUIPMENT	336,500	
GENERAL & ADMINISTRATIVE	1,464,000	
<b>TOTAL OPERATING EXPENDITURES</b>		<b>4,469,430</b>
TRANSFERS:		
RENEWAL & REPLACEMENT FUND	120,000	
CAPITAL IMPROVEMENT FUND	3,390,200	
AIRPORT BOND FUND (SERIES 99)	312,806	
<b>TOTAL TRANSFERS</b>		<b>3,823,006</b>
<b>TOTAL EXPENDITURES</b>		<b>8,292,406</b>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES		(649,946)
<b>• FUND BALANCE END OF YEAR</b>		<b>2,740,254</b>

\* BALANCE WILL BE TRANSFERRED TO THE CAPITAL IMPROVEMENT FUND  
IN FISCAL YEAR 2001

**AIRPORT AUTHORITY OF THE CITY OF LINCOLN, NEBRASKA  
CONSOLIDATED BUDGET FOR FISCAL YEARS 1999 AND 2000**

	<b>BUDGET FISCAL YEAR 1999</b>	<b>BUDGET FISCAL YEAR 2000</b>
<b>REVENUES:</b>		
OPERATING REVENUES:		
LANDING FIELD AREA	438,000	327,000
TERMINAL AREA	1,965,560	2,128,760
FIXED BASE AREA	1,019,350	1,155,700
LINCOLN AIR PARK WEST	3,266,100	3,531,000
INTEREST EARNED	805,000	660,000
<b>TOTAL OPERATING REVENUES</b>	<b>7,494,010</b>	<b>7,802,460</b>
<b>STATE &amp; FEDERAL GRANTS</b>	<b>2,466,626</b>	<b>2,210,916</b>
<b>REAPPROPRIATION OF FUNDS</b>	<b>11,113,783</b>	<b>11,762,456</b>
<b>TOTAL REVENUES</b>	<b>21,074,419</b>	<b>21,775,832</b>
<b>EXPENDITURES:</b>		
OPERATING EXPENDITURES:		
LANDING FIELD AREA	512,800	548,400
TERMINAL AREA	897,600	952,400
FIXED BASE AREA	200,000	209,900
LINCOLN AIR PARK WEST	355,000	300,500
PUBLIC SAFETY	707,000	657,700
SERVICE EQUIPMENT	354,000	336,500
GENERAL & ADMINISTRATIVE	1,340,000	1,464,000
<b>TOTAL OPERATING EXPENDITURES</b>	<b>4,366,400</b>	<b>4,469,400</b>
<b>DEBT RETIREMENT</b>	<b>326,216</b>	<b>171,755</b>
<b>CAPITAL IMPROVEMENTS</b>	<b>9,593,576</b>	<b>9,948,686</b>
<b>FACILITY RENOVATIONS</b>	<b>1,356,504</b>	<b>1,769,126</b>
<b>EQUIPMENT PURCHASES</b>	<b>1,176,873</b>	<b>1,056,865</b>
<b>ENVIRONMENTAL/ INSURANCE</b>	<b>4,254,850</b>	<b>4,360,000</b>
<b>TOTAL EXPENDITURES</b>	<b>21,074,419</b>	<b>21,775,832</b>



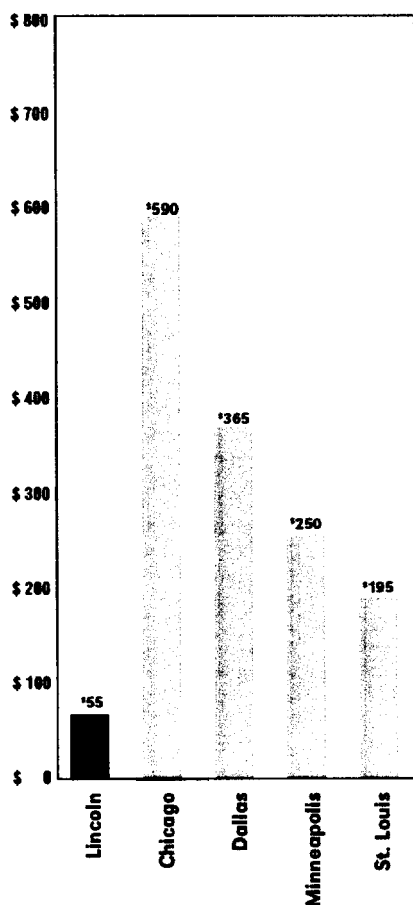
## **Attachment B**

# **Media Cost Comparison**

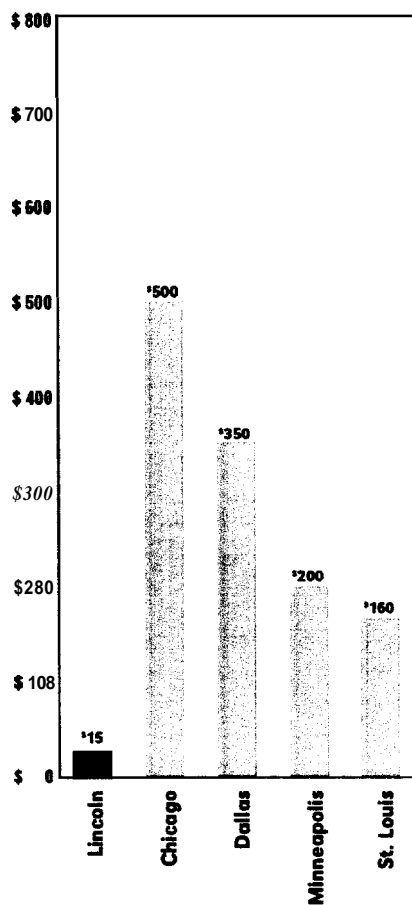


## Media Cost Comparisons

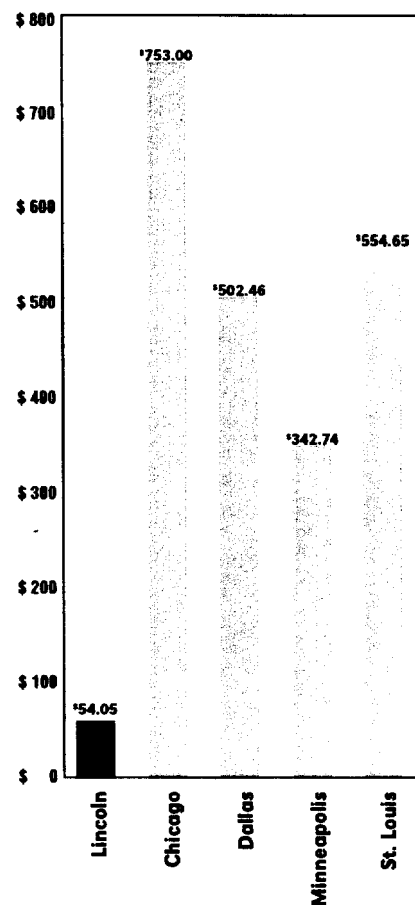
Avg. TV CPP\*



Avg. Radio CPP\*\*



Sunday Newspaper CPI



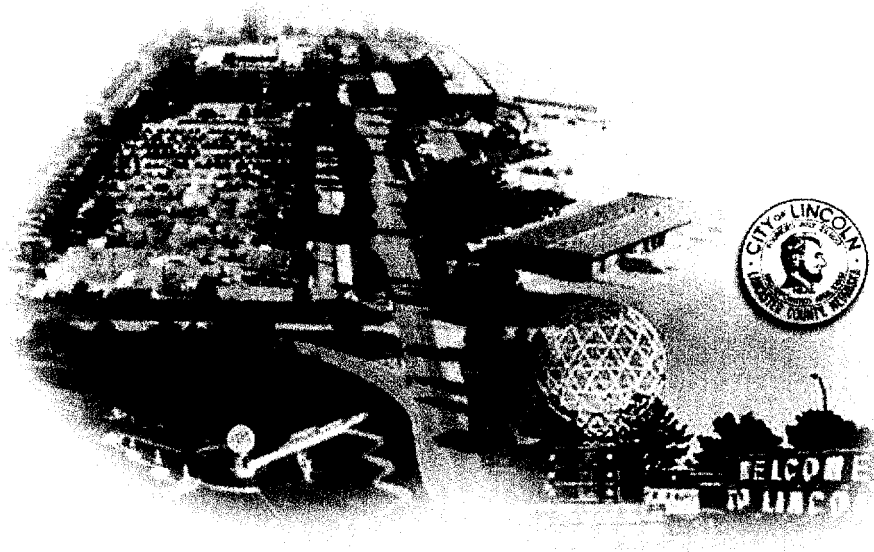
\* Based on low SQUAD.

\*\* Based on average SPARC

Market	150 TRP's TV	150 TRP's Radio	60" Newspaper	Total
Lincoln	\$ 8,250.00	\$ 2,250.00	\$ 8,107.50	\$ 18,607.50
Chicago	\$ 88,500.00	\$ 75,000.00	\$ 45,180.00	\$ 208,680.00
Dallas	\$ 54,750.00	\$ 52,500.00	\$ 30,147.00	\$ 137,397.60
Minneapolis	\$ 37,500.00	\$ 30,000.00	\$20,564.00	\$ 88,064.40
St. Louis	\$ 29,250.00	\$ 24,000.00	\$ 33,279.00	\$ 86,529.00

CPP = Cost Per Point • CPI = Cost Per Inch • TRP = Total Rating Point • SQUAD = Spot Quotations & Data • SPARC = Spot Advertising Radio Costs





## **Attachment C**

# **Top 75 Lincoln O&D Passenger Markets**

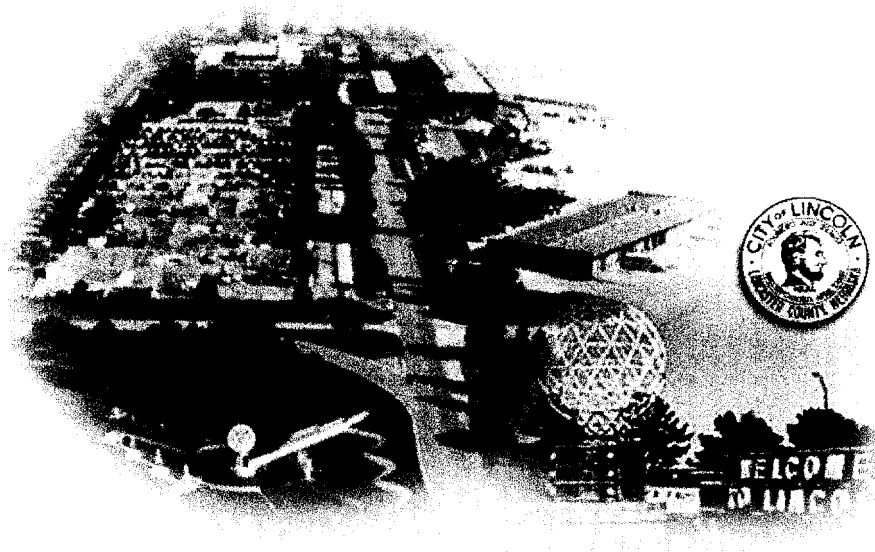
**Lincoln: Top 75 Domestic O&D Passengers**  
**YE 3Q 2000 vs. YE 3Q 2001**

Rank	Market	Code	O&D Passengers		% Change vs. Prior Yr.
			YE 3Q '00	YE 3Q '01	
1	St. Louis	STL	22,350	29,610	32.5%
2	Chicago	CHI	28,550	19,820	-30.6%
3	New York	NYC	18,620	16,790	-9.8%
4	Denver	DEN	15,820	14,270	-9.8%
5	Minneapolis	MSP	16,180	14,170	-12.4%
6	Washington	WAS	16,960	13,450	-20.7%
7	Phoenix	PHX	15,950	12,030	-24.6%
8	Los Angeles	LAX	14,610	11,990	-17.9%
9	Orlando	ORL	13,010	11,610	-10.8%
10	Baltimore	BWI	12,470	10,980	-11.9%
11	Seattle/Tacoma	SEA	12,830	10,150	-20.9%
12	Detroit	DTT	11,520	9,680	-16.0%
13	Las Vegas	LAS	11,190	8,700	-22.3%
14	San Diego	SAN	10,260	8,170	-20.4%
15	Indianapolis	IND	8,980	8,110	-9.7%
16	Dallas/Fort Worth	DFW	7,830	7,950	1.5%
17	Portland	PDX	8,470	7,800	-7.9%
18	Columbus	CMH	7,560	7,700	1.9%
19	Nashville	BNA	7,940	7,360	-7.3%
20	Boston	BOS	7,270	7,350	1.1%
21	Atlanta	ATL	8,260	7,200	-12.8%
22	Raleigh/Durham	RDU	7,260	7,030	-3.2%
23	San Francisco	SFO	9,920	6,960	-29.8%
24	Philadelphia	PHL	7,580	6,850	-9.6%
25	Cleveland	CLE	7,530	6,310	-16.2%
26	Tampa	TPA	6,540	6,230	-4.7%
27	Sacramento	SAC	6,000	6,040	0.7%
28	Orange County	SNA	4,700	5,460	16.2%
29	Houston	HOU	7,410	5,390	-27.3%
30	San Jose	SJC	4,640	5,070	9.3%
31	Kansas City	MKC	5,050	4,860	-3.8%
32	Hartford	HFD	5,360	4,840	-9.7%
33	Charlotte	CLT	5,150	4,550	-11.7%
34	Ontario	ONT	4,390	4,510	2.7%
35	San Antonio	SAT	5,550	4,460	-19.6%
36	New Orleans	MSY	5,450	4,450	-18.3%
37	Salt Lake City	SLC	4,490	4,360	-2.9%
38	Oakland	OAK	3,500	3,870	10.6%
39	Milwaukee	MKE	4,100	3,760	-8.3%
40	Louisville	SDF	4,050	3,350	-17.3%
41	Albuquerque	ABQ	4,230	3,230	-23.6%
42	Austin	AUS	3,620	3,230	-10.8%
43	Tucson	TUS	3,220	2,920	-9.3%
44	Fort Lauderdale	FLL	3,530	2,820	-20.1%
45	Miami	MIA	3,230	2,660	-17.6%
46	Pittsburgh	PIT	3,450	2,500	-27.5%
47	Jacksonville	JAX	2,840	2,450	-13.7%
48	Boise	BOI	1,920	2,280	18.8%
49	Little Rock	LIT	2,290	2,240	-2.2%
50	Madison	MSN	1,860	2,020	8.6%

**Lincoln: Top 75 Domestic O&D Passengers**  
**YE 3Q 2000 vs. YE 3Q 2001**

Rank	Market	Code	O&D Passengers		% Change vs. Prior Yr.
			YE 3Q '00	YE 3Q '01	
51	Honolulu	HNL	2,660	2,000	-24.8%
52	Norfolk	ORF	1,950	1,970	1.0%
53	Fort Myers	FMY	1,780	1,920	7.9%
54	Spokane	GEG	1,650	1,900	15.2%
55	Memphis	MEM	1,770	1,820	2.8%
56	Grand Rapids	GRR	1,660	1,740	4.8%
57	Manchester	MHT	1,720	1,670	-2.9%
58	Dayton	DAY	1,780	1,620	-9.0%
59	Cincinnati	CVG	2,040	1,610	-21.1%
60	Providence	PVD	1,800	1,570	-12.8%
61	Harrisburg	HAR	1,580	1,520	-3.8%
62	Eugene	EUG	1,570	1,460	-7.0%
63	Richmond	RIC	1,360	1,450	6.6%
64	Lexington	LEX	1,070	1,440	34.6%
65	Knoxville	TYS	1,250	1,410	12.8%
66	Lansing	LAN	760	1,400	84.2%
67	<del>South</del> Bend	SBN	1,090	1,390	27.5%
68	Reno	RNO	1,630	1,310	-19.6%
69	Oklahoma City	OKC	1,350	1,290	-4.4%
70	Greensboro	GSO	1,170	1,250	6.8%
71	Kahului	OGG	1,280	1,250	-2.3%
72	Colorado Springs	COS	1,520	1,150	-24.3%
73	Anchorage	ANC	1,290	1,080	-16.3%
74	Rochester	ROC	990	1,080	9.1%
75	Buffalo	BUF	1,140	1,070	-6.1%
Subtotal Top 75			453,350	406,960	-10.2%
All Other			45,220	45,170	-0.1%
Total			498,570	452,130	-9.3%

**Source: US DOT O&D Survey, via Database Products**



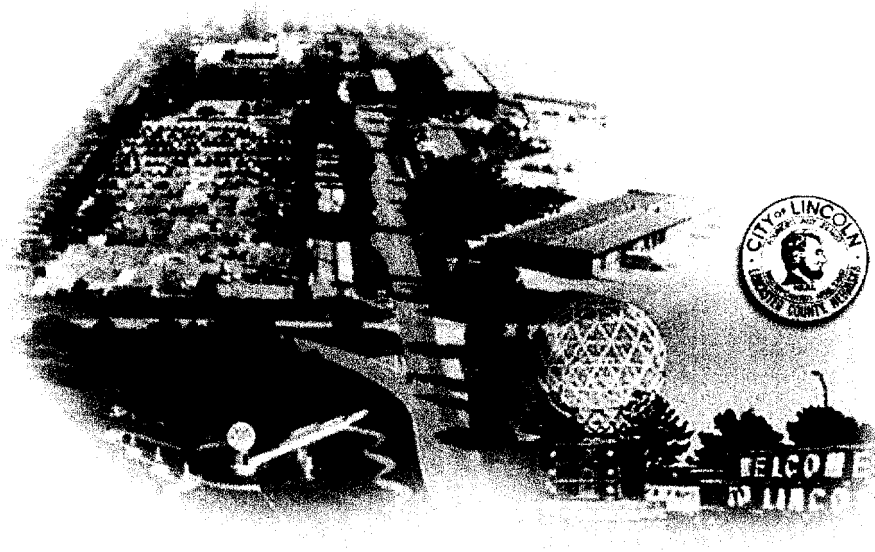
## **Attachment D**

# **Lincoln Airport May 2002 Airline Schedule**

### Table 8

**Effective Date : Week of 05/13/2002 - 05/19/2002**

ARRIVALS														DEPARTURES								
DL3	DEP3	ELT3	DL2	DEP2	ELT2	DL1	DEP1	ELT1	AL	FLIGHT TIME	OTP	ACFT	DAYS	UL1	ARR1	ELT1	UL2	ARR2	ELT2	UL3	ARR3	ELT3
									AA3	5882	0531	NA	ERD	123456	STL	0650	0119					
									9E	5665	0630	NA	CRJ	1234567	MSP	0800	0130					
									ZW	5747	0746	NA	D38	1234567	DEN	0835	0150					
									ZW	5750	0800	NA	146	1234567	ORD	0925	0125					
									AA3	5787	0806	NA	ER4	1234567	STL	0927	0121					
									XJ	3143	0820	NA	SF3	123456	MSP	1010	0150					
						STL	0845	0129	AA3	5830	1014	NA	ER4	1234567								
	ATW	0630	0400			MSP	0905	0125	9E	5660	1030	NA	CRJ	123456								
									9E	5667	1056	NA	CRJ	1234567	MSP	1220	0125					
									AA3	5835	1059	NA	ER4	1234567	STL	1217	0118					
						DEN	0910	0115	ZW	5748	1126	NA	CRJ	1234567								
									ZW	5749	1220	NA	CRJ	1234567	DEN	1255	0135					
						ORD	1050	0145	ZW	5751	1236	NA	146	1234567								
	JAX	0800	0540			MSP	1115	0125	9E	5638	1240	NA	CRJ	1234567								
						STL	1115	0125	AA3	5749	1240	NA	ERD	1234567								
									9E	5895	1305	NA	CRJ	1234567	MSP	1430	0125	MSN	1615	0310		
									AA3	5750	1315	NA	ERD	12345	7	STL	1430	0115				
									AA3	5750	1336	NA	ERD	6	STL	1450	0115					
									ZW	5752	1336	NA	146	1234567	ORD	1500	0125					
			DEN	1120	0135	ZW	5742	1366	NA	D38	1234567											
			MSP	1335	0130	9E	5629	1506	NA	CRJ	1234567											
						ZW	5743	1616	NA	D38	1234567	DEN	1605	0150								
			STL	1355	0125	AA3	5772	1520	NA	ERD	1234567											
						AA3	5773	1550	NA	ERD	12345	7	STL	1705	0115							
						9E	5859	1610	NA	CRJ	1234567	MSP	1740	0130	AZO	2155	0445					
			STL	1500	0129	AA3	5826	1629	NA	ERD	12345	7										
			ORD	1500	0135	ZW	5753	1636	NA	CRJ	1234567											
						AA3	5773	1640	NA	ERD	6	STL	1755	0115								
						AA3	5827	1659	NA	ERD	12345	7	STL	1818	0119							
			MSP	1520	0151	XJ	3209	1711	NA	SF3	12345	7										
			DEN	1545	0115	ZW	5744	1800	NA	CRJ	1234567											
						XJ	3210	1806	NA	SF3	12345	7	MSP	1950	0145							
						ZW	5745	1815	NA	CRJ	1234567	DEN	1850	0135								
						ZW	5754	1830	NA	WV	1234567	ORD	2000	0130								
			MSP	1716	0119	9E	5870	1835	NA	CRJ	6											
			STL	1707	0130	AA3	5866	1837	NA	ER4	12345	7										
						AA3	5867	1936	NA	ER4	12345	7	STL	2050	0115							
			MSP	1905	0150	XJ	2944	2055	NA	SF3	12345	7										
			ORD	1935	0145	ZW	5755	2120	NA	146	1234567											
			STL	1959	0125	AA3	5864	2124	NA	ER4	12345	7										
			DEN	1905	0135	ZW	5746	2140	NA	D38	1234567											
			STL	2040	0125	AA3	5746	2205	NA	ER4	6											
			STL	2040	0125	AA3	5746	2205	NA	ERD	12345	7										
	AZO	1905	0535			MSP	2215	0125	9E	5858	2340	NA	CRJ	1234567								



## **Attachment E**

# **Airport Monthly Charges**

# MONTHLY CHARGES

AIRLINES:	PASSENGERS ENPLANED	BAGGAGE CLAIM %	HOLD ROOM SOUTH %	HOLD ROOM NORTH %	RAMP LIGHTS%
DELTA / CONTINENTAL	2275	11.3%	25.2%		11.3%
MESABA AVIATION	3750	18.6%		33.6%	18.6%
CHAUTAUQUA	7400	36.7%		66.4%	36.7%
AIR WISCONSIN	6750	33.5%	74.8%		33.5%
AIRLINES:	LOADING BRIDGES SOUTH %	LOADING BRIDGES NORTH %			
DELTA / CONTINENTAL	25.2%				
MESABA AVIATION		50.0%			
CHAUTAUQUA		50.0%			
AIR WISCONSIN	74.8%				

DELTA / CONTINENTAL

# MONTHLY CHARGES

RENT:	SQUARE FEET	ANNUAL RATE	MONTHLY AMOUNT
TICKET COUNTER/OFFICE	1,215	23.00	2,328.75
	SHARED AMOUNT	MONTHLY %	
BAGGAGE CLAIM	7,418.89	11.3%	836.58
HOLD ROOM/SOUTH	9,089.95	25.2%	2,291.37
TOTAL RENT			5,456.70
JANITORIAL:	SHARED AMOUNT	MONTHLY %	MONTHLY AMOUNT
BAGGAGE CLAIM	189.58	11.3%	21.38
HOLD ROOM/SOUTH	568.75	25.2%	143.37
TOTAL JANITORIAL			164.75
TOTAL RENT & JANITORIAL			5,621.45



<b>UTILITIES:</b>	<b>SHARED AMOUNT</b>	<b>MONTHLY %</b>	<b>MONTHLY AMOUNT</b>
NON-METER ELECTRICAL			
TICKET COUNTER			100.00
RAMP LIGHTS	466.23	11.3%	52.57
BAGGAGE CLAIM	130.49	11.3%	14.71
HOLD ROOM/SOUTH	178.63	25.2%	45.03
LOADING BRIDGE	58.12	25.2%	14.65
TOTAL ELECTRICAL			226.97
PUBLIC ADDRESS			91.50
<b>TOTAL UTILITIES</b>			<b>318.47</b>
<b>LANDING FEES:</b>			
	<b>WEIGHT</b>	<b># PER MONTH</b>	<b>RATE PER 1,000 LBS</b>
CRJ	47,000	91	1.03
			<b>4,405.31</b>
<b>Total Monthly Expenditures</b>			<b>10,345.22</b>
<b>Estimated Total Annual Expenditures</b>			<b>124,142.64</b>